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FM AMEMBASSY BAGHDAD

TO RUEHC/SECSTATE WASHDC PRIORITY 4281

INFO RUEHBC/REO BASRAH 2126

RUEKJCS/SECDEF WASHDC

RUEHIHL/REO HILLAH 2094

RHMFIS/HQ USCENTCOM MACDILL AFB FL

RUEHKUK/REO KIRKUK 2094

RUCNRAQ/IRAQ COLLECTIVE

RUEHMOS/REO MOSUL 2096

C O N F I D E N T I A L BAGHDAD 001498

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STATE FOR NEA-I/POL

E.O. 12958: DECL: 05/07/2016

TAGS: PGOV PINR PTER ENRG ECON KCOR IZ

SUBJECT: PRT BAGHDAD: OFFICE OF MARTYR SADR ATTEMPTING TO TAKE OVER FUEL DISTRIBUTION IN BAGHDAD,S KARADA DISTRICT

Classified By: Classified by Baghdad PRT Deputy Leader Ken Fisher for reasons 1.4 (B) and (D).

¶1. (C) During a conversation with PRT representative, Karada District Council (DC) Chairman Mohammed Al-Rubiey commented that the Office of Martyr Sadr (OMS) is attempting to take over the distribution of benzene and cooking gas (LPG) at petrol stations in Karada, as well as house-to-house distribution of LPG in the district.

¶2. (C) According to Al-Rubiey, OMS recently requested Karada DC support for the appointment of OMS members to managerial positions at state-owned petrol stations in the Karada District. (Note: Government-owned stations are under the control of Distribution Company, Ministry of Oil, and in the past they have thwarted attempts by local governments and organizations in appointing management to these stations. OMS also sought DC support to take over home distribution of LPG. The DC voted overwhelmingly to deny OMS the ability to become involved in fuel distribution in Karada.

¶3. (C) A representative from OMS explained to Al-Rubiey that OMS prefers to bypass the Baghdad Provincial Council (PC) and directly provide necessities to the local citizens of Karada. When the OMS representative was advised by Al-Rubiey that OMS would not be receiving assistance from the Karada DC, he issued a veiled threat to both Al-Rubiey and the council declaring &this shows who the friends of the Sadr Office are and this will be remembered8.

¶4. (C) Al-Rubiey was emphatic that the citizens of Karada are not supportive of Muqtada Al-Sadr (MAS) and his supporting offices. He noted that the district does not have an OMS office due to widespread dislike by the citizens of Karada of OMS and MAS.

¶5. (C) Comment. Efforts of the OMS to involve itself in the distribution of fuel in the Karada District are troubling. The OMS assertion that they wish to provide essential products to the population may well be true, but an economic motive cannot be ruled out: private distributors of LPG in particular have been making huge profits during the current acute LPG shortage. (Official price: 600 ID/12 KG; Typical delivered price: 1,500-2,000 ID/12 KG; Black market price 15,000-18,000 ID/12 KG) Further, it is alarming that OMS would threaten the Karada DC when it did not receive support for its fuel distribution initiative. It remains to be seen whether, in the end, the Karada DC will be able to resist OMS moves to distribute fuel. In the worst case scenario OMS maneuvering may lead to a showdown with SCIRI/Badr

Organization dominated PC over influence in this area of
Baghdad. End Comment.
SATTERFIELD